

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 IO-13 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

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R 061351Z AUG 76

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 6646

INFO USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: REACTIONS TO US TARIFF CUTTING FORMULA: ARGENTINA

REF: STATE 106864

1. FOLLOWING IS SUMMARY OF GOA FOREIGN MINISTRY'S REACTION  
TO US TARIFF CUTTING FORMULA.

2. THEY NOTE THAT US FORMULA IS MORE LIBERAL THAN THAT  
PROPOSED IN KENNEDY ROUND, BUT ASSERT THAT FORMULA SHOULD  
NOT BE APPLICABLE TO LDC'S BECAUSE DECLARATION OF TOKYO  
PROMISES LDC'S TREATMENT MORE FAVORABLE THAN THE NORM. THEY  
ADD THAT, IN ANY CASE, SPECIAL NEGOTIATING PROCEDURES BETWEEN  
DC'S AND LDC'S SHOULD BE WORKED OUT PRIOR TO AGREEMENT ON  
TARIFF CUTTING FORMULA. ARGENTINES ALSO MADE FOLLOWING GENERAL  
OBSERVATIONS ABOUT APPLICATION OF TARIFF CUTTING FORMULA ND  
PROCEDURES FOR APPLICATION OF TARIFF REDUCTIONS.

3. PRINCIPAL ARGENTINE CONCERN APPEARS TO PRESERVE (OR EXPAND)

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GSP MARGINS, BY APPLYING ONE OR MORE OF THE FOLLOWING PROCEDURES:

A) SHALLOWER CUTS THAN INDICATE BY FORMULA FOR DC'S  
IN THE CASE OF PRODUCTS ON THE GSP LIST.

B) ADDITION OF NEW PRODUCTS TO GSP LIST.

C) EXCEPTING GSP PRODUCTS FROM APPLICATION OF FORMULA.

D) STAGED APPLICATION OF FORMULA CUTS FOR DC'S IN CASE  
OF THOSE GSP PRODUCTS WHICH CANNOT BE PLACED ON  
EXCEPTIONS LISTS.

E) CREATION OF MECHANISM (UNSPECIFIED) TO COMPENSATE LDC'S  
FOR LOSS OF GSP MARGIN.

4. IN THE CASE OF NON GSP PRODUCTS:

A) DEEPER TARIFF CUTS THAN PROVIDED BY FORMULA FOR PRODUCTS  
OF INTEREST TO LDC'S.

B) IMMEDIATE (AS OPPOSED TO STAGED) APPLICATION TO LDC'S  
OF FULL TARIFF CUTS.

C) REDUCTION OR ELIMINATION OF DIFFERENTIAL TARIFFS APPLIED  
TO A GIVEN PRODUCT AT DIFFERENT STAGES OF ELABORATION  
(IE REDUCED DUTIES ON PRODUCT AT MORE ADVANCED STAGE  
OF ELABORATION).

D) RECLASSIFICATION OF PRODUCT NOMENCLATURE IN MFN  
CASES TO PROVIDE PREFERENTIAL TREATMENT OF LDC'S.

E) CLOSE LINKAGE BETWEEN TARIFF REDUCTIONS AND ELIMINATION  
OF RELATED NTBS.

5. COMMENT: PRESUMABLY THE ARGENTINE POSITION THAT US OR  
ANY OTHER GENERAL TARIFF CUTTING FORMULA SHOULD NOT BE  
APPLICABLE TO LDC'S ACCOUNTS FOR THEIR LACK OF SPECIFIC COMMENT  
ON US FORMULA.

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## Message Attributes

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